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**Press Information Bureau  
Government of India  
Ministry of Commerce & Industry**

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**Statement of Commerce & Industry Minister Smt. Nirmala Sitharaman at the India-US Strategic and Commercial Dialogue (S&CD)**

**PLENARY**

Mr. John Kerry, Secretary of State, United States of America

My colleague Ms. Sushma Swaraj, Minister of External Affairs

Ms. Penny Pritzker, Secretary of Commerce, United States of America

Mr Dave Cote, US co-chair of the CEO Forum,

Mr. Cyrus Mistry, The Indian co-chair of the CEO Forum

Ms. Rita Teotia, Secretary to Govt. of India, Department of Commerce,

Ladies & Gentlemen

It gives me **great pleasure to host the US delegation** for the **2<sup>nd</sup> Strategic and Commercial Dialogue** in New Delhi. In an otherwise sluggish scenario for the global trade, the trade between **India and US has gathered strength** and the **bilateral trade** of more than **\$105 billion** is a testimony to this fact. We all know that this figure is much below the potential, as the trade complementarity between the two large democracies is very high. It **has been the endeavor of both the countries to use the institutional dialogues like Trade Policy Forum and Strategic and Commercial Dialogue to address the issues** being faced by the trade and to look at broader economic policy initiatives and I must mention that such engagements have been highly productive from the point of view of both the countries. These **mechanisms have provided appropriate platforms for sustained interaction between** public and private sector to work together to identify newer areas of cooperation and to work around challenges and impediments to smoothen the flow of the relationship.

2. Our leaders have agreed to an ambitious **target** of taking the bilateral trade to **\$500 billion** and this would require both the sides to work in close cooperation and resolve impediments to trade. I would like to **assure** you that we remain strongly committed to make India a better place to do business and to progressively liberalize our economy to facilitate greater investment.

3. As part of our autonomous **liberalization exercise**, we have made a number of changes in our FDI policy to bring more activities under the automatic route and easing conditionality for foreign investment. New sectors like defense, railways etc. have been opened to foreign investments. Reforms undertaken in the recent months have shown positive results and FDI inflows into India have increased at a time when globally, there is decline in the investment flows. Total **FDI inflow into India** which was at US\$ 36 billion during 2013-14 increased to US\$ 44.2 billion in 2014-15 and further increased as during the year **2015-16**, India received **US\$ 55.4 billion as FDI**. FDI from USA has also shown a positive growth trend from US \$ 804 million in 2013-14 to US\$ 4190 million in 2015-16.

4. Our persistent efforts towards simplification of the tax regime have started showing impact and the passage of **GST Bill** is expected to provide the required boost for a simplified indirect tax regime. The bipartisan support for this initiative augurs well for the Indian economy.

5. As part of our **ease of doing business initiative**, we have taken a number of strong steps which have resulted in **raising India's rank** a notch higher in the World Bank Doing Business Report. The **e-Biz portal** has helped in providing a one stop shop for the investors to apply for different services. The **integration of the State Governments** on this portal has further strengthened and expanded the number of services offered through this platform. Our initiative in bringing about the Insolvency and Bankruptcy Code is expected to overhaul the existing framework for dealing with insolvency of corporates, individuals, partnerships and other entities. Our decision to open commercial courts is intended not only for speedy disposal of commercial disputes but also to reinforce investors' perception of India as a preferred investment destination. As part of our ease of doing business initiative, the **Customs authorities have introduced Single Window Interface for Facilitating Trade (SWIFT)** which allows the importers/exporters to file a common declaration on the Customs' ICEGATE portal. Our initiative in **e-trade has resulted in slashing the documentation requirement** for exporters and importers.

6. I am **pleased to note** that there was **significant progress on the recommendation of the CEO Forum** as well as **under our four work streams** namely, (a) **Standards** (b) **Ease of doing business** (c) **Innovation and Entrepreneurship** and (d) **Infrastructure and Smart cities**. In the last one year, we have **had interactions during the Reverse Trade Mission visit from the United States**; and collaboration between the Ministry of Finance and US Treasury relating to **floating of municipal bonds to generate additional resources**.

- The envisaged goals such as **exchange of information and best practices** on cross-border trade, **reforms in commercial law have provided positive** inputs to facilitating ease of doing business. There has been significant progress in the '**Trading Across Borders**' parameter. There has been a lot of interaction between the teams to understand and adopt best practices relating to ease of doing business and we look forward to more robust engagement in 2017.
- Under the **Innovation and Entrepreneurship Work Stream** it was agreed to share best practices in promoting a culture of innovation and creation of sister innovation hubs. In pursuit of our Govt's policy of **minimum government and maximum governance**, there has been a conscious effort towards making India a global hub for innovation, design and development. The **Start Up India and Digital India initiatives are expected to provide the platform for entrepreneurs** to pursue their business ideas in a conducive environment. It is worthwhile to mention that **India** jumped from a **rank** of 81 in 2015 to **66 in 2016** as per the **recent Global Innovation Index report**. Global collaboration is one of the most important enablers in transforming conventional hubs into innovation hubs and India-US collaboration in strengthening innovation clusters for mutual benefits is a step in the right direction. Both sides should identify and pick up some high-growth potential hubs in the two countries and facilitate partnerships in other areas of technology, design, etc. The launch of the India US Innovation Forum in New Delhi yesterday was a good beginning and I am confident that exchange of ideas and best practices on an ongoing basis would help entrepreneurs of the two countries.
- On the **standards** front, there has been substantial bilateral engagement and we expect this engagement to be strengthened further. **CII is progressing with the development of the Standards portal in collaboration with ANSI** and we expect to launch the first version in September 2016. The engagement between National Physical Laboratory on the Indian side and NIST on the US side has seen some tangible developments and we are looking forward to a more robust engagement in 2017.

7. In addition to our bilateral engagement, we are **working closely** with the US and our other key stakeholders in important international **foras including the WTO and International Financial Institutions like WB and IMF** and the **UN Security Council** for institutional reforms and unfinished agendas. We are negotiating some important regional and mega regional free trade agreements with our partners like the **RCEP and India-EUBTIA**.

8. Some of our **stakeholders have raised concerns** regarding measures which have the potential to act as barriers to the movement of natural persons and professionals. The **concerns of our Government in this regard have been conveyed** in the past, and **we could hope that specific measures like these, having potential to adversely impact our trade, are avoided.**

9. We have **tremendous optimism regarding the promise and growing realization of our potential for trade and investment.** Ladies and gentlemen, the **onus is squarely on all of us to work together to strengthen the partnership between India and the USA as this partnership will have a significant role in shaping the new global trade.** I look forward to continue the momentum of our bilateral engagement between the Governments and the business on both sides for ensuring positive and balanced outcome of this engagement.

With this I wish to thank each one of you for being present this afternoon.

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MJPS